

gizmo bay A PEEK INTO THE WORLD OF GADGETS, TECHNOLOGY AND HAPPENINGS THAT WILL KEEP YOU HOOKED!

Yahoo! reports loss

Yahoo! reported a quarterly net loss but beat analysts' expectations as its new chief executive Carol Bartz vowed to do whatever it takes to right the Internet pioneer's financial ship.



Hackers break in

Monster Worldwide Inc, the popular global website for job hunters, said that hackers have broken into its databases and stolen personal data, said its spokeswoman Nikki Richardson.



Search engine for films

The UK Film Council is launching a search engine that will help British movie goers track down their favorite films. The site (www.FindAnyFilm.com) contains records of more than 30,000 films.



US tops tech usage

The United States and Scandinavian countries top the annual rankings on the usage of telecommunications technologies such as networks, cellphones and computers, a report released said.



Sensors come to rescue

After back-to-back hospital visits, Eva Olweean figured her health was back to normal. Tiny sensors hover over the toilet, shower and doorways to detect Olweean's movements inside her apartment.



How did you develop the concept of opposable mind?

I developed the concept through interviews of more than 50 highly successful leaders. As I explored with them the decisions that led to their great successes, it became evident to me that their most critical capability of good leaders was the capacity to hold two opposing ideas in their minds at the same time and instead of choosing one or the other, to use the tension between the models to create a model that contained elements of each but was superior to both. Since the tension between the models felt like the tension that a human can create between fingers and opposable thumb, I called this the opposable mind.

Can you give examples?

Sure. An example would be Isadore Sharp, founder, CEO and chairman of Four Seasons Hotels and Resorts, the world's largest and most successful luxury hotel chain. When he began, he faced two models for successful hotel chains; and they were considered to be the only models. First was the small motel with under 200 rooms, very few amenities, but with lots of warmth and intimacy. Second was the large convention hotel with over 750 rooms, with all the amenities a business traveler would want, but without the warmth or intimacy of a small motel. Instead of choosing one or the other, he innovated and created the medium-sized luxury hotel (225-350 rooms) with such superb service that guests were willing to pay the necessary premium for Sharp to afford all the luxuries they would ever need.

Or alternatively, Bob Young, co-founder of Red Hat Software, rejected both the traditional "free software" model of selling shrink-wrapped disks of Linux software for \$10-15 a copy and the proprietary software model of selling expensive copyright protected software which was not allowed to be



'Great leaders are integrative thinkers'

The best leaders have the ability to hold two opposable ideas in their mind and then come with a third different idea, says Roger Martin, dean of the Rotman School of Management, located in the heart of Toronto, Canada. Martin elaborates this idea in his latest book—The Opposable Mind: How Successful Leaders Win Through Integrative Thinking. He defines integrative thinking as, "The ability to face constructively the tension of opposing ideas and, instead of choosing one at the expense of the other, generate a creative resolution of the tension in the form of a new idea that contains elements of the opposing ideas but is superior to each." In this interview with Vivek Kaul, Martin discusses how he came up with the concept of integrative thinking and how leaders across the business landscape have successfully been using integrative thinking.

ample, in the case of luxury hotels, hoteliers wanted to see luxury simply as grand architecture and décor; and there view of causality was that the richer the guests, the more they will value/demand grander architecture and décor: So, as hotels targeted ever more upscale guests, they competed through ever more grand architecture and décor.

Isadore Sharp took a more sophisticated look at upscale guests and noted that they were very busy people who

value both deep mastery and broad innovation. They understand fully that without mastery, there is nothing on which to build an innovative solution. AG Lafley, chairman and CEO of Procter & Gamble explicitly considers mastery in his decisions. He always looks to tap for their insights someone within P&G or outside, who has deep mastery of the subject at hand before making important decisions.

However, he doesn't ask the master in question to make the decision, or even approve of it entirely. That is because he understands that the solution he seeks requires the integration of multiple models and the master may not have that capacity – in fact probably does not because of the type of work necessary to have become a master.

So, it is not surprising or contradictory that integrative thinkers value and support both specialisation and thinking across fields of specialisation. As Sharp illustrates in the above example, they utilise complexity to solve problems in unique ways. They come to understand that complexity is their friend, not their enemy. For that reason, they become quite comfortable with complexity.

Can you give us a few examples on why integrative thinking is worth the trouble?

Integrative thinking is worth the trouble when there is no model available that helps us accomplish our goals. So when Victoria Hale of the Institute for One World Health (IOWH) looked at the plight of sufferers of major diseases that afflicted primarily or exclusively people in very poor countries or regions, she had no good answers. The "big pharma" model found cures for diseases that afflicted patients rich enough to pay enough to cover the

costs of inventing the drug in question. The public health model helped to get those drugs into the hands of patients in poor countries on a subsidised or free basis by badgering the drug companies to act charitably. These models combined to work well for AIDS treatment. There were enough HIV/AIDS patients in rich countries to fund the development and production of anti-retroviral drugs. And various developing country governments and NGOs had convinced the makers of these drugs to make them available at low or no cost to patients in their countries.

But this didn't help diseases like Black Fever (Kalazar), which afflicted exclusively patients in very poor countries – such as India, Tibet, and Sudan for example. The drug companies didn't attempt to find a cure for Black Fever because it wasn't economical for them to do so on a for-profit basis. So, Black Fever sufferers were destined to die by the hundreds of thousands every year. That is, until Hale and IOWH came along. She looked at the two models and declared that a new model needed to be built – and created the world's first non-profit pharmaceutical company, which she aimed first at finding an economical cure for Black Fever. She succeeded and now the Indian government provides IOWH's treatment free of charge to any sufferer in India, transforming the lives of many poor families in India.

You write in your book that "In recent years, the dominant question addressed for the would-be leader is "What should I do?" rather than "What should I think?" Why do you say that?

There has been too much focus on watching what successful leaders and companies do and then replicating that. The danger is that the context for you is likely to be different than the

context for the successful leader/company. The better question is "what should I think" because if you hone and refine that capacity, you will be able to think clearly in any situation.

An example of a company that has focused on "doing" more than thinking is Motorola. It has plenty of programs that it does: six sigma, total quality, etc. However, it hasn't thought nearly enough about why it is doing what it is doing, and has suffered badly because of that.

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How much role does intuition play in the mind of integrative thinkers. Can you give us some examples?

It depends a bit on what one means by intuition. People use "intuition" to mean a wide variety of things, including "bolt out of the blue" responses. I don't think that Integrative Thinkers use intuition of that sort. But if you define intuition as using one's experience (skills and sensitivities) to make "the logical leap of the mind" (referred to by CS Peirce) to produce a creative resolution of a tension, then integrative thinkers use intuition 100% of the time. But it is a definitional question. I don't find that using the term "intuition" and not having a useful definition of the term isn't very valuable. I define intuition as being synonymous with abductive logic – the logic of what might be. So AG Lafley couldn't prove

that Connect and Develop would work, Issy Sharp couldn't prove that a new model of service would work, and Bob Young couldn't prove that giving away Linux software would be profitable. Tiny sensors hover over the toilet, shower and doorways to detect Olweean's movements inside her apartment.

What went wrong with business leaders who ran Wall Street firms? Did they lack integrative thinking?

Yes indeed. I consider the very epicentre of the crisis as the sub-prime meltdown. Lots of other things were problematic, but that is what precipitated the meltdown.

If we look at that from an integrative thinking perspective, I would describe it as a case of following narrow inductive logic over a cliff. So, Wall Street used extensive data from the past to predict the future – inductive logic. The data from the past was mortgage default rates on various classes of mortgages. They used that data to create tiers of mortgages with risk levels from zero (supposedly) to very high. They then sold packages of those mortgages to various investors.

What they didn't consider to be salient is the new incentive system created by the issuing, packaging and reselling of mortgages. The data on mortgage defaults came from an era when the issuer of the mortgage held the mortgage and had an incentive to issue carefully and collect thoroughly. In the new system, the issuer got paid an origination fee and had no further risk or obligation.

The risk/obligation increasingly was left with investors (you and me in our retirement accounts) that had no capacity to enforce the careful issuing or thorough collection of mortgages. So guess what? Issuers started issuing ever more risky mortgages. And no-

copied. He saw the former model as having unsustainable long run economics and the latter as infeasible for an open source software provider. So he chose to offer Red Hat free on the Internet in order to build dominant market share for Red Hat and become the support services provider of choice for large users. He borrowed the open source aspect from the free software model and the service revenue aspect from the proprietary model in order to construct a better model.

Conventional thinking simplifies and at times does not take the right causality into account while taking a decision. Why do you say that?

Conventional thinkers tend to want to see the world in simple terms in which the relationships between aspects of that world are quite linear. So, for ex-

ample, didn't actually want to be staying at a hotel, no matter how luxurious. What they longed for was the feeling of being at home or at their office. Hence, Sharp redefined luxury as an infrastructure that made one feel more like one was at home or the office. This meant that Four Seasons became the first to put shampoo in the showers, provide a hair dryer and bathrobe, have 24-hour room service, 24-hour secretarial services, a two-line telephone, etc. None of this would have happened had Sharp created in his mind a simple picture of upscale guests with a simple causal model of their desire for luxury.

Integrative thinkers like complexity, but organisations the way they are built encourage specialisation. How do you explain this dichotomy? This is because integrative thinkers

OTHER SEGMENTS OF THE DEVICE INDUSTRY FACE CONTINUING FEDERAL INQUIRIES OR ARE VOLUNTARILY TAKING HOUSE-CLEANING MEASURES

Medical supply firms and doctors face new rules on ethics



Barry Meier

When the sun goes down in Las Vegas, steer clear of doctors.

Those are the marching orders that Smith & Nephew, a leading maker of artificial hips and knees, has given executives and sales representatives attending a big meeting of orthopedic surgeons next month in the Nevada city. The company has told them to limit their interactions with doctors to 9 am to 5 pm, the "business" hours of the convention of the American Academy of Orthopaedic Surgeons.

It remains to be seen whether such seeming magnets as doctors and sales executives can resist each other. But Smith & Nephew's convention curfew is a sign of an ethical makeover under way within the medical device industry, a field that has been troubled by federal investigations and bad publicity over the volatile issue of frequently undisclosed financial ties between companies and physicians.

Recently, two senators increased the pressure further by reintroducing legislation that would require device and drug makers to report all financial links with doctors on a federal Web site. That bill is known as

the Physician Payments Sunshine Act, and a parallel effort is taking shape in the House.

"The public is clamoring for transparency," one of the Senate sponsors, Herb Kohl, D-Wis., said. The co-sponsor is Charles E. Grassley, R-Iowa.

The nation's biggest hip and knee makers, including Smith & Nephew, are currently operating under Justice Department oversight as part of an agreement after to resolve allegations that they gave some doctors illegal inducements to use their products.

Other sectors of the device industry face continuing federal inquiries or are voluntarily taking house-cleaning measures. Much of it involves the public disclosure of information that would be mandated under the Senate proposal — the names of the doctors who work for device manufacturers as consultants, lecturers, researchers or trainers, and how much each one is paid for those services.

Under their Justice Department settlements, the hip and knee makers are already disclosing such payments on their corporate websites. And seeing the writing on the wall, several other large device companies, including Boston Scientific and Edwards Lifesciences, recently an-

Under the lens

Recently, several big drug companies have also said they plan to release the names of doctors they use as consultants

But the ties between medical device makers and physicians are often more entangled and can have a bigger impact on both patient care and product sales

nounced they would do so voluntarily. Meanwhile, the device industry's main trade group, the Advanced Medical Technology Association, said it had supported the Senate measure when it was introduced two years ago.

There is little question that battles over how much companies, doctors and medical institutions disclose about their financial ties will continue. But some experts on medical conflicts of interest, seeing the rapid fall of resistance by most major companies, say that a turning point has arrived. "We are definitely moving towards more disclosure and disclosure of information that is useful to people," said Lisa Bero, a pharmacy professor at the Uni-

versity of California, San Francisco. Recently, several big pharmaceutical companies have also said they plan to release the names of doctors they use as consultants. But the ties between medical device makers and physicians are often more entangled and can have a bigger impact on product sales.

For one, doctors may be involved in the design of a medical device and can hold a patent on it. Further, device makers also hire surgeons to train other doctors on how to implant their products. And hospitals often give doctors a large say in determining the suppliers of products like artificial hips or heart defibrillators — companies with which those same doctors may have financial relationships.

Some hospital systems, including the big Kaiser Permanente network, bar physicians from taking industry money and now force device suppliers to compete on the same basis on which most medical products are purchased - price. In recent months, the ground has shifted so rapidly under device makers that companies find themselves scrambling to keep up.

Take Edwards Lifesciences, a producer of heart valves and other devices. Last year, the compa-

nny's chief executive, Michael A. Mussallem, decided that Edwards would voluntarily disclose all its payments to doctors.

Mussallem said that the decision came from the push for federal legislation and the passage in Massachusetts last summer of a state law requiring drug and device companies to disclose all payments to doctors in excess of \$50.

Edwards, like other device makers, has also been the subject of media articles raising questions about the motives of physicians with financial ties to the company. "We make our living on innovation," said Mussallem, who is also the current president of the Advanced Medical Technology Association. "But every time we turned around, there was a story that made this seem negative rather than positive."

But gathering that physician data is proving easier said than done. For instance, Edwards officials soon discovered that each company division had used a different process to account for its doctor payments, and technological havoc resulted when they tried to pull the data together.

"You couldn't tell if Dr Jones and Dr Jones were the same guy," or different ones, said Dirkzen Lehman, the company's vice president for government affairs. nvr